

**Technology Advisory Committee
Meeting Minutes
July 12, 2007**

The Technology Advisory Committee met on July 12, 2007 in Council Chambers, City Hall.

I. Call to Order

II. Roll Call

<input checked="" type="checkbox"/> Chris Price – Chair	<input checked="" type="checkbox"/> Mark Farr	<input checked="" type="checkbox"/> Oakel Hardy
<input checked="" type="checkbox"/> Mike Jamerson	<input checked="" type="checkbox"/> Mark McHolland	<input checked="" type="checkbox"/> Georgia Miller
<input checked="" type="checkbox"/> Steve Baker	<input checked="" type="checkbox"/> Jim Hartsook	

Invited Guests:

Brent Engle – InfoComm; Barkley Gehring – Gehring Underground

Other Attendees:

Stan Gamso, Counsel

III. Open Issues

a) Gehring Progress Update – Brent Engle/Barkley Gehring – 5 minutes

Sherry Gehring appeared on behalf of Berkeley Gehring. She reported that as of today's date there is one more boring to be completed that is approximately 800 feet in length. By the end of next week, all conduits should be fully tested.

There are three handholes yet to be set on the run from 10th street. Also with regard to the handholes, they are working on the placards that will be attached to each cover.

Gehring has been working with the Engineer's office to have concrete on the sidewalks and blacktop on the streets installed in areas where they had to disturb the existing pavement. They are also working with the Engineer's office to resolve any punch list items.

Pursuant to the extension contract, Gehring had to order an additional seven handholes. The "As Built's" will be completed on or before July 30 and delivered to Oakel.

b) Fiber Sub-Committee Report/Recommendation

The chairman reported that the sub-committee met with Indiana Fiber Works and Smithville Digital. Each was given equal time. The sub-committee asked questions and exchanged information in an effort to understand each company's response to such an extent that an apples to apples comparison could be made between the two companies.

At the end of the day, it was concluded that Indiana Fiber Works is more or less a wholesaler of digital services whereas Smithville Digital is more oriented as a retailer of services.

With regard to pricing, Indiana Fiber Works reported that it would be cooperative in an attempt to work with the City to establish pricing, but they did not provide an appropriate pricing structure for consideration by the sub-committee. Smithville Digital, on the other hand, did provide a specific pricing structure. From the information given, it appeared that Smithville Digital would offer a less expensive service to customers of the fiber optics that would be placed in the City-owned conduit.

The chairman also noted that with respect to marketing, Indiana Fiber Works reported they would be more than happy to do whatever the City suggested, whereas Smithville Digital, offered a proactive approach and would leverage their existing partnerships to benefit the City.

With that, the chairman directed Brent Engle to review and present to the TAC the bid analysis document that he had prepared and which is made part of these minutes.

Brent reported that from the meetings held with both providers, there were six areas of analysis that were evaluated. His report lists the provider deemed to be the most advantageous to the City of Columbus and also contains narrative that outlines the rationale for determining the most advantageous provider under the various criteria.

1. Compensation

Smithville Digital offered a very competitive compensation package. In addition, they would maintain the fiber in the fiber conduit and pay the City \$114,000 for a period of five years to use the conduit. This would result in revenue to the City in the amount of \$3.00 per conduit foot. Smithville also agreed to engage in revenue sharing when the gross revenue from customer usage exceeded \$1.2 million annually.

Indiana Fiber Works agreed to pay the City a percentage of the revenue generated from their use of the conduit after they received a refund on their capital contribution for installing the fiber. Indiana Fiber Works could not give the sub-committee the amount of monies that the City would receive on an ongoing basis.

2. Maintenance

Both providers agreed that there would be no cost to the City of Columbus to maintain and repair either the fiber or the conduit. Smithville Digital included the

maintenance cost and the \$3.00 per foot conduit fee. Indiana Fiber Works, on the other hand, reported they would charge the customer a maintenance fee of \$200 per mile per year of fiber usage.

3. Deployment schedule

In the RFP, the sub-committee set a deployment deadline of August 31, 2007 for each responder. Smithville Digital reported that they could have both lit and dark fiber in place and operational within 60 days from the date they receive a contract. Indiana Fiber Works, on the other hand, reported they needed 90 days to install the dark fiber and 120 days to provide lit fiber.

4. Service portfolio and pricing

Smithville Digital offered a price of \$980 per month for 1 Gb lit point-to-point service. Their dark fiber pricing would be \$50 per fiber mile per month.

Indiana Fiber Works offered pricing ranging from \$500-\$2000 per month for 100 Mb per second to 1 Gb per second lit service and \$1100 per fiber per mile for a 20 year commitment on dark fiber.

5. Service delivery and customer service

The significant evaluation here has to do with the methodology employed by the two providers to determine whether the network is functioning. Indiana Fiber Works provides predominately dark fiber and utilizes what is known as Layer 2 monitoring. Layer 2 monitoring is used on dark fiber and generally requires the customer to report a service outage.

Smithville Digital uses what is known as layer 3 which is a higher level and monitors at a network level. Utilizing this method, Smithville actually sends authentication notices to hardware at each end of the fiber run every five minutes. If their system fails to detect and acknowledge an authentication within a five-minute process, it is determined that the system is not functioning and they therefore deem it to be a service outage.

Indiana Fiber Works also intended to offer lit services, but they were not clear as to the monitoring method they would be using to determine whether their service was functioning properly.

Smithville Digital's methodology is proactive in nature whereas Indiana Fiber Work's is reactive.

6. Marketing

Smithville Digital will partner with their existing partnerships and business

relationships to advertise for and on behalf of the City and would engage in what is essentially an aggressive approach.

Indiana Fiber Works reported that they would market with the City but indicated that theirs would not be a collaborative approach.

In addition, it was clear from Smithville Digital's marketing proposal that there would not be the need for a great deal of interactive involvement on the part of the City of Columbus or the Technology Advisory Committee whereas Indiana Fiber Works would require some active participative involvement on the part of the City.

The chairman noted that the sub-committee did speak with both providers about closing the ring within the city, and both reported that they had an interest in doing so and would make it a part of their proposal.

It is also worth noting that Smithville Digital did commit at some point in the future to have and make available a local presence. That was not the case with Indiana Fiber Works.

There followed a discussion by all committee members with respect to information shared in the bid analysis.

Mark Farr moved that the TAC recommend to the Board of Works that Smithville Digital be adopted as the successful responder to the fiber optic RFP and to further recommend to the Board of Works that the City enter into negotiations for the purpose of completing a contract with Smithville Digital consistent with the terms of the RFP and consistent with the comments and recommendations made by Smithville Digital to the sub-committee as such information was presented in today's meeting. Georgia Miller seconded the motion. Upon a call for voice vote, the motion passed unanimously.

Chairman Price reported that he would be attending the Board of Works meeting on Tuesday, July 17th, and Messrs. Jamerson, Engle and Hardy indicated they would be attending the meeting as well to answer any questions that should arise.

There was general discussion about whether the present fiber-optic sub-committee should remain for the purpose of assisting in negotiations with Smithville Digital in developing a contract. Mark Farr moved and Steve Baker seconded a motion that the existing fiber-optic sub-committee remain intact and engage in negotiations with Smithville Digital for the purpose of developing a contract as directed by the City. Upon voice vote, the motion carried unanimously.

c) Wireless RFP

Brent went through a discussion of the current status of the development of the wireless RFP. He reported there are three primary considerations for the committee: (1), identifying the stakeholders for installation of the wireless network, i.e., police, fire and

businesses; (2), the level at which the City wants to be involved in wireless service, either leading or cutting edge technology or currently established technology; and three, development of a business model that suits the City's needs.

With regard to technical solutions and process control, Brent noted that for public safety a 4.9 GHz system would be appropriate for the public access, and on the business side, a 2.4 GHz system would be appropriate. An alternative might be to use WiFi for police access.

Regarding the process control path, it will be necessary to establish a timeline and budgets for the various stakeholders, finalize and categorize the technical standards, and develop the appropriate business model requirements.

IV. Approval of Minutes from Prior Meeting

Meeting minutes for the June 14 and June 24 meetings were considered by the committee. Georgia moved to approve the minutes and Oakel seconded the motion. Upon voice vote, the motion passed unanimously.

V. New Business

Counsel's invoice for the month of June 2007 was presented, All committee members had an opportunity to examine same. Mark Farr moved for recommendation of approval of counsel's fee for services for the month of June, and Oakel seconded the motion. Upon voice vote, the motion to approve counsel's claim was passed unanimously.

Budgetary issues: Oakel reported that he and the chairman need to have discussions regarding the TAC budget for next year, and they agreed to either meet or exchange information through e-mail in order to develop a budget.

VI. Adjournment

The chairman reported there was no further business and called for adjournment of the meeting. Oakel moved and Mike Jamerson seconded the motion to adjourn. Upon unanimous voice vote, the meeting was adjourned at 11:10 a.m.

Respectfully submitted,

Stanley A. Gamso

BID COMPLIANCE EVALUATION

NON-COMPLIANT BID

x

x

x

x

x

	AT&T (Ivy Tech)	AT&T (Hospital)	IQuest Internet	DynamicCity	DynamicCity (alt)	Indiana Fiber Works	Smithville Telecom
FORM 96				✓		✓	✓
UTILIZATION OF CITY CONDUIT			✓	✓	✓	✓	✓
DARK FIBER SERVICE			✓	✓	✓	✓	✓
LIT/MANAGED FIBER SERVICE			✓	✓	✓	✓	✓
ONGOING MAINTENANCE OF CITY CONDUIT			✓	✓	✓	✓	✓
COMPENSATION FOR USAGE OF CITY CONDUIT			?	✓		✓	✓
LEAST POTENTIAL CAPITAL INVESTMENT BY THE CITY						✓	✓
CAN ADDRESS <u>ALL</u> IDENTIFIED NEAR-TERM BUSINESS NEEDS			✓	✓		✓	✓

Table 1 - RFP Compliance Matrix

✓ = Compliant ? = Compliance Unknown

Bid Analysis:

1. The AT&T proposals were not submitted with the required completed FORM 96, a requirement for submission. Additionally, the proposed AT&T solutions are non-compliant as they do not meet the solution requirement to utilize the CITY's conduit system.
2. The IQuest Internet proposal was not submitted with the required completed FORM 96, a requirement for submission. Additionally, the IQuest Internet proposal was contradictory and poorly organized making it difficult to understand the level of investment (if any) was required by the CITY as well as what potential compensation the CITY would receive from IQuest Internet's utilization of the conduit.
3. The DynamicCity proposals recommend additional capital investment by the CITY as part of their primary solution. The role of ownership of "last mile" connections (fiber or conduit) is not one the CITY wishes to assume at this time, as described on pg. 6 of the RFP. Furthermore, the DynamicCity *Alternative* proposal describes DynamicCity's offer to engage the CITY in a planning process to build from the ground up a municipal fiber utility. The CITY has charted its chosen course and is not interested in the ownership of a municipal fiber utility at this time.

BID ANALYSIS

	MOST ADVANTAGEOUS RESPONDER
1. COMPENSATION	SMITHVILLE DIGITAL
2. MAINTENANCE	SMITHVILLE DIGITAL, INDIANA FIBER WORKS
3. DEPLOYMENT SCHEDULE	SMITHVILLE DIGITAL
4. SERVICE PORTFOLIO & PRICING	SMITHVILLE DIGITAL
5. SERVICE DELIVERY & CUSTOMER SERVICE	SMITHVILLE DIGITAL
6. MARKETING	SMITHVILLE DIGITAL

Table 2 – Analysis of Most Advantageous Responder

1. COMPENSATION

- a. With respect to compensation to the City for usage of City conduit(s), Smithville Digital proposed leasing the conduit system from the City for \$3.00 per conduit foot for a five (5) or ten (10) year IRU (indefeasible right to use) with options to renew. They estimate their total expenditure of \$3.00/conduit foot for the City of Columbus conduit system will be approximately \$114,000 – paid upfront, in accordance with the IRU. The \$3.00/conduit foot calculation was based on estimated revenue of < \$1.2 mil; furthermore, Smithville Digital did agree to a potential contract provision whereby if revenues collected from use of the City’s conduit were to exceed \$1.2 mil, the City could receive a percentage of the additional revenue collected. It should be noted that Smithville Digital anticipates the use of only one (1) of the City’s two (2) conduits, leaving the second available for further advantage to the City (e.g. private City use, lease to a second provider)

- b. The Indiana Fiber Works approach to a compensation package for usage of City conduit(s) included a less direct approach. Indiana Fiber Works proposed developing service pricing whereby Indiana Fiber Works would utilize both of the City's conduits according to a twenty (20) year IRU and:
 - i. Indiana Fiber Works would be reimbursed for capital construction costs associated with a customer build before the City would receive payment for Indiana Fiber Works' utilization of City conduit, and
 - ii. Indiana Fiber Works would advise the City on service price points with IFW taking an unspecified margin of profit.

2. MAINTENANCE

- c. With respect to maintenance, neither party requires direct payment from the City for maintenance of City conduit. Smithville Digital states the cost for maintenance (normally ~12%) was calculated into the \$3.00/conduit foot calculation for a conduit IRU, while Indiana Fiber Works is opting to pass the cost of maintenance on to the customer at rate of \$200 per route mile per year.

3. DEPLOYMENT SCHEDULE

- d. When asked if the summer deployment schedules for IVY Tech, IUPUC and Columbus Regional Hospital (for example) could be met, both Smithville Digital and Indiana Fiber Works stated that these deadlines could be met; however, Indiana Fiber Works specified that if it was necessary to add managed lit services to the dark fiber, an additional 30 days would need to be added to the deployment timeline. The following is a comparison of vendor deployment timelines.

	DEPLOYMENT TIMELINE	VENDOR TIMELINE
SMITHVILLE DIGITAL	08/31/2007	60 days for dark or lit fiber service
INDIANA FIBER WORKS	08/31/2007	90 days for dark fiber service 120 days for lit fiber service

4. SERVICE PORTFOLIO & PRICING

- a. Smithville Digital offered their lit 1 Gb/s service (point-to-point) for \$908 per month and dark fiber service at \$50 per fiber per mile per month. Smithville Digital further estimated that their dark fiber service would be 10-30% less than their lit fiber service as there would not be a need for (lit service) electronics.
- b. Indiana Fiber Works offered lit fiber services of 100 Mb/s and 1 Gb/s services for between \$500 and \$2,000 per month and their dark fiber service for \$1,100 per fiber per mile for a 20 year IRU.

5. SERVICE DELIVERY & CUSTOMER SERVICE

- a. Both Smithville Digital and Indiana Fiber Works monitor their infrastructure; however, the type of monitoring is not exactly similar. Smithville Digital specified that they monitor their managed services at Layer 3 (Network) and can tell within approximately five (5) minutes if there is a problem with the connection. Indiana Fiber Works monitors its dark fiber at Layer 2 (Data Link) and generally rely on the customer to report a problem with the connection. It is unknown how Indiana Fiber Works plans to monitor the lit services it deploys. Equally unknown is how Smithville Digital plans to monitor the dark fiber it deploys.
- b. Smithville Digital has two Network Operations Centers (NOCs) and the capabilities and experience to serve both large and small clients.
- c. Indiana Fiber Works has stated that they only service large enterprise customers and carriers (Internet service providers) relying on third-parties to service smaller customers (e.g. residents and small business).
- d. A key differentiator between Smithville Digital and Indiana Fiber Works regarding service delivery is that Smithville Digital is requesting less oversight by the TAC than Indiana Fiber Works in delivering service to the customer and is effectively offering a “one stop shop” for dark fiber and lit fiber services to customers of all sizes.

6. MARKETING

- a. Marketing strategies for Smithville Digital and Indiana Fiber Works differ from one another and their outlooks on joint marketing opportunities with the City are also dissimilar. The Smithville Digital approach to marketing seems to be more proactive (active) and aggressive than Indiana Fiber Works. Smithville Digital currently employs a marketing firm out of Carmel (IN) and is open to the idea of a co-branding the broadband service (e.g. “Broadband Columbus – Powered by Smithville Digital”). Indiana Fiber Works stated that while they are open to ideas for working with the City on the marketing of the fiber services, ultimately the City and Indiana Fiber Works will continue in their respective (separate) paths toward creating and developing marketing opportunities and leads. Furthermore, the Indiana Fiber Works approach to marketing seems to be more reactive (passive) as they prefer to wait until they are approached by a potential client/lead.